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United Kingdom Competition Authority Announces Support for Climate Change Agreements Among Competitors

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In a recent [speech](#) to the Scottish Competition Forum, Sarah Cardell, newly installed Chief Executive of the UK's Competition Markets Authority (CMA), laid out her vision for analyzing agreements among competitors that foster climate change goals. Simultaneously, the CMA issued [Draft Guidance on Horizontal Agreements](#) that more formally sets out the CMA's policy in this area.

This announcement is a forceful declaration that competition enforcers have an important policy role to play in facilitating the world economy's move toward a more sustainable future. According to Ms. Cardell, "[t]here can be few, if any, bigger challenges facing our economy and our society than climate change. That's why, in our new strategy, we have prioritised action to accelerate the UK's transition to a net zero economy. Now, some might question whether environmental sustainability is an appropriate priority for a competition authority. I respectfully disagree."

The announcement reportedly comes after intense lobbying of the CMA by the financial sector, particularly efforts led by the net zero alliance known as the Glasgow Financial Alliance for Net Zero.

Ms. Cardell identified three ways in which the CMA may support competitor collaborations aimed at positive climate change:

- Ensuring that sustainable markets develop in competitive ways;
- Helping educate consumers to make choices that are more sustainable; and
- Ensuring that competition law is not itself a barrier to agreements that promote positive climate change initiatives, such as net zero targets.

Taking the Temperature: The CMA's announcement is a bold competition policy initiative that sets the UK apart from other competition authorities as a leader in the climate arena. By contrast, several months ago the EU launched a well-publicized dawn raid against a number of European fashion houses as part of an investigation into whether collective agreements on sustainable fabrics violated EU competition law. Similarly, antitrust chiefs at the U.S. Federal Trade Commission and Department of Justice have warned that an illegal agreement among competitors will not be saved merely because the subject of the agreement is climate change. It remains to be seen whether the UK will set the international policy agenda on competition and climate change or whether it will be an outlier.